

Carbonite Inc
Form DEF 14A
April 05, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
(RULE 14A-101)
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

CARBONITE, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(3) Filing Party

(4) Date Filed:

2019 Notice of Meeting and Proxy Statement

Two Avenue de Lafayette
Boston, Massachusetts 02111

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 20, 2019

I am pleased to invite you to attend the 2019 Annual Meeting of Stockholders (the “Annual Meeting”) of Carbonite, Inc. (the “Company”) to be held on Monday May 20, 2019 beginning at 9:00 a.m. Eastern Time. This year’s Annual Meeting will be a virtual meeting via live webcast on the Internet. You will be able to attend the Annual Meeting, vote and submit your questions during the meeting by visiting www.virtualshareholdermeeting.com/carb2019. The Annual Meeting is being held for the following purposes:

- 1.To elect the three Class II directors named in this Proxy Statement to hold office until the 2022 annual meeting of stockholders or until their successors are elected and qualified;
- 2.To ratify the selection by the Audit Committee of the Board of Directors of the Company of Deloitte & Touche LLP (“Deloitte”) as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019;
- 3.To approve, on an advisory basis, the 2018 compensation of the Company’s named executive officers as disclosed in the accompanying materials; and
- 4.To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on March 22, 2019 (the “Record Date”) are entitled to receive this notice of the Annual Meeting and to vote at the Annual Meeting and at any adjournments of such meeting.

We have elected to use the internet as our primary means of providing our proxy materials to stockholders. Accordingly, most stockholders will not receive paper copies of our proxy materials. On or about April 5, 2019, a Notice of Internet Availability of Proxy Materials and Notice of Annual Meeting of Stockholders (the “Notice”) is first being mailed to our stockholders of record as of the Record Date and our proxy materials are being posted on the website referenced in the Notice (www.proxyvote.com). The Notice contains instructions for voting via the internet and for accessing our proxy materials, which include our Proxy Statement and our 2018 Annual Report, including our Form 10-K for the year ended December 31, 2018 (our “2018 Annual Report”). The Notice also provides information on how stockholders may obtain paper copies of our proxy materials free of charge, if they so choose. The electronic delivery of our proxy materials significantly reduces our printing and mailing costs and the environmental impact of our proxy materials.

The Notice also provides the date, time, and location of the Annual Meeting; the matters to be acted upon at the Annual Meeting and the recommendation of our Board of Directors with regard to each such matter; a toll-free number, an email address, and a website where stockholders can request a paper or email copy of our proxy materials and a form of proxy relating to the Annual Meeting; information on how to electronically access the form of proxy; and information on how to attend the Annual Meeting.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU INTEND TO ATTEND THE ANNUAL MEETING, YOU MAY SUBMIT YOUR PROXY BY TELEPHONE OR VIA INTERNET USING THE INSTRUCTIONS ON THE NOTICE OR, IF YOU RECEIVED PAPER COPIES OF THE PROXY MATERIALS BY MAIL, YOU MAY ALSO VOTE BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD AND RETURNING THE PROXY CARD IN THE ENCLOSED PREPAID ENVELOPE TO ASSURE THAT YOUR SHARES ARE REPRESENTED AT THE ANNUAL MEETING. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE VIRTUALLY AT THE MEETING IF YOU WISH TO DO SO, EVEN IF YOU HAVE PREVIOUSLY SUBMITTED YOUR PROXY.

By Order of the Board of Directors,

Danielle Sheer
General Counsel and Secretary
April 5, 2019

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Proxy Summary

In this Proxy Statement, we refer to Carbonite, Inc. as the “Company,” “Carbonite,” “we,” or “us” and the Board of Directors as our “Board.” This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider and you should read the entire Proxy Statement before voting.

Meeting Agenda and Voting Matters

Item	Management Proposal	Board Vote Recommendation	Page Reference (for more detail)
1	Election of three Class II directors to hold office until the 2022 annual meeting of stockholders or until their successors are elected and qualified	FOR each director nominee named in the Proxy Statement	13
2	Ratification of the selection by the Audit Committee of our Board of Deloitte as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019	FOR	28
3	Approval, on an advisory basis, of the 2018 compensation of the Company’s named executive officers	FOR	52

Business Highlights

The fiscal year ended December 31, 2018 was another year of strong performance and results for Carbonite. Our fiscal 2018 highlights include the following:

- Revenue increased by 24% over fiscal year 2017 to \$296.4 million;
- Non-GAAP revenue increased 23% over fiscal year 2017 to \$301.9 million
- Net income was \$7.6 million compared to a net loss of (\$4.0) million in 2017;
- Net income (loss) per share was \$0.24 (basic) and \$0.22 (diluted), as compared to (\$0.14) in 2017 (basic and diluted);
- Non-GAAP net income per share was \$1.80 (basic) and \$1.66 (diluted), as compared to \$0.82 (basic) and \$0.79 (diluted) in 2017;
- Adjusted EBITDA was \$77.0 million, or 26% of non-GAAP revenue, compared to \$38.9 million, or 16% of non-GAAP revenue in 2017;
- We successfully closed on the acquisition of Mozy, which added more than 100,000 endpoint backup and recovery customers;
- We successfully completed an equity offering in July 2018, raising approximately \$200 million in proceeds for the company;
- We successfully de-levered our balance sheet, paying down the entire amount outstanding under our existing revolving credit facility; and
- We continued our significant stockholder outreach efforts.

A reconciliation of the non-GAAP financial measures included above to their most directly comparable GAAP measures can be found in Appendix A to this Proxy Statement.

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Stockholder Engagement

We believe in the importance of engaging with and listening to our stockholders. In recent years we have proactively reached out to many of our largest stockholders to solicit their feedback on our executive compensation, corporate governance, or our disclosure practices. We expect to continue to engage in an open dialogue with our stockholders through a combination of email exchanges, conference calls and in-person meetings. We received valuable feedback from stockholders, as well as appreciation of our ongoing outreach efforts and acknowledgment of our increased engagement from stockholders, and we believe we have addressed many of the topics raised by our stockholders.

Changes We've Made in Response to Stockholder Feedback

- ü Performance-Based Equity Program for 2018
- ü Stock Ownership Guidelines for Board and Senior Executives
- ü Independent Chairman of the Board
- ü Commitment to Ongoing Stockholder Outreach & Engagement
- ü Commitment to Enhanced Board Diversity and Subject-Matter Expertise

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Corporate Governance

Members of our Board of Directors

Name and Principal Occupation	Age	Position	Director Since	Term Expires	Audit	Comp. Nom./Gov.	ISRC
Charles Kane *							
Director and former president of One Laptop Per Child	61	Director (Class II)	2011	2019	ü	ü	
Stephen Munford *							
Former CEO of Sophos Ltd.	53	Chairman of the Board (Class II)	2014	2019	ü	ü	ü
Linda Connly *							
Founder and CEO of The Connly Advisory Services	53	Director (Class II)	2019	2019			
Marina Levinson							
Founder and CEO of CIO Advisory Group, LLC	60	Director (Class III)	2017	2020			ü
David Friend							
CEO of Wasabi, Inc.	71	Director (Class III)	2005	2020			
Todd Krasnow							
President of Cobbs Capital, Inc.	61	Director (Class III)	2005	2020	ü	ü	
Mohamad Ali							
President & CEO of the Company	48	President, CEO and Director (Class I)	2015	2021			
Scott Daniels							
Former senior analyst of Shannon River Partners	53	Director (Class I)	2016	2021	ü		ü

(*) Director standing for re-election at the Annual Meeting.

Information about our Board and Committees

	Number of Members	Independence	Number of Meetings During Fiscal Year 2018
Full Board	8	75%	33
Audit Committee	3	100%	8
Compensation Committee	2	100%	4
Nominating and Corporate Governance Committee	2	100%	4
Information Security Risk Committee	3	100%	9

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Governance Strengths

- üIndependent Chairman of the Board
- üStock Ownership Guidelines for Board and Senior Executives
- üStanding Board Committees Comprised Solely of Independent Directors
- üCommitment to Board Diversity
- üCommittee Authority to Retain Independent Advisors
- üAnnual Say on Pay Vote
- üSuccession Planning Process for CEO and Senior Management
- üRegular Executive Sessions of Board of Directors
- üAnnual Board and Committee Self-Evaluations
- üAnnual Reviews of Committee Charters and Governance Guidelines
- üRobust Code of Business Conduct and Ethics; Policies on Insider Trading and Related Person Transactions
- üBoard-Level Expertise that is Closely Aligned to Our Business Goals

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Executive Compensation Highlights

We have designed our executive compensation program to align our executive compensation practices with the success of our business and stockholder returns. We do this by providing an annual cash bonus plan tied to our annual financial performance and by granting long-term equity incentives, one-half of which is subject to time vesting and one-half of which vests based on the satisfaction of performance conditions and, once achieved, subject to time vesting. Since our IPO in 2011, we have continued to update our executive compensation program to remain competitive and to match the maturity, size, scale and growth of our business. See our Compensation Discussion and Analysis for more information about our executive compensation program.

Key Features of our Executive Compensation Program for Named Executive Officers

What We Do:

Performance-Based Equity - One-half of long-term incentives for all senior management was in the form of performance based restricted stock units (RSUs) tied directly to stock price appreciation and, once achieved, subject to further time vesting, in order to further align senior management compensation with stockholder returns.

Linkage Between Performance Measures and Strategic and Operational Objectives - Our executive compensation program is designed to align compensation incentives with our strategic, business, and financial objectives and the long-term interests of our stockholders.

Pay for Performance - A significant percentage of our targeted annual compensation is delivered in the form of variable compensation that is connected to actual performance. For 2018, variable compensation comprised approximately 45% of the targeted annual compensation for our named executive officers.

Market Comparison of Executive Compensation Against a Relevant Peer Group

“Double Trigger” in the Event of a Change of Control - In the event of a change of control, cash severance benefits and unvested equity awards are predominantly payable or vest upon a “double trigger” for our senior executive officers; i.e., severance is payable only if a change of control occurs and the senior executive officer is terminated without cause or leaves for good reason within a specified period after the change of control.

Independent Compensation Consultant - The Compensation Committee retains its own compensation consultant to review and advise on the Company’s executive compensation program and practices.

Maximum Payout Caps for Annual Cash Incentive Compensation

Share Ownership Guidelines - It is recommended that our Chief Executive Officer hold a number of shares of our common stock with a value in excess of 3x his or her annual base salary, and our other senior executive officers hold a number of shares of our common stock with a value in excess of 1x their annual base salaries, each within three years of the adoption of the guidelines or, if later, promotion or hire.

Emphasis on Future Pay Opportunity vs. Current Pay Opportunity - For 2018, all our long-term incentive awards were delivered 100% in the form of equity, designed to encourage retention and stock price appreciation through restricted stock units (RSUs) and RSUs.

What We Don’t Do:

• No Change in Control or Perquisite Tax Gross-Ups

• No Excessive Severance Benefits

• No Service-Based Defined Benefit Pension Plan or Other Similar Benefits

• No Repricing of Underwater Stock Options

Recent Compensation Actions

As part of its annual compensation process, the Compensation Committee of the Board approved the following compensation decisions with respect to the named executive officers:

•

2018 Cash Bonus Plan. Under the 2018 cash bonus plan, bonuses were determined based on the Company's performance with respect to new bookings, renewal bookings and free cash flow targets, weighted 50%, 25% and 25%, respectively. Based on the Company's goal attainment of 76%, 100%, and 120%, respectively, the Compensation Committee certified a bonus payout of 75% of target for the participating named executive officers, as further described in the Compensation Discussion & Analysis section titled "Elements of our Executive Compensation Program".

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2018 Equity Incentives. The 2018 annual equity program consisted of RSUs and PRSUs as part of the annual equity grants in order to further align senior management compensation with stockholder value. Under the terms of the 2018 RSU award agreements, the RSUs vest in equal annual installments over four years from the date of grant. Under the terms of the 2018 PRSU award agreements, the PRSUs are earned if, within three years from the date of grant, the Company achieves (i) a minimum stock price of \$31.12 per share for 20 consecutive trading days with respect to 50% of the PRSUs, representing a 23.2% premium as compared to our December 31, 2017 closing stock price of \$25.26 per share, and (ii) a minimum stock price of \$35.01 per share for 20 consecutive trading days with respect to the remaining 50% of the PRSUs, representing a 38.6% premium as compared to our December 31, 2017 closing stock price of \$25.26 per share. Once the performance conditions are satisfied, the PRSUs are subject to service vesting, with vesting of such PRSUs to occur quarterly over the one-year period from the date of performance achievement, subject to the recipient's continued service to the Company through the applicable vesting date. On May 29, 2018 and June 14, 2018, respectively, the PRSUs achieved the respective trading price performance conditions and as such the PRSUs began to vest subject to the service-based vesting condition.

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INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Q. When and where will the Annual Meeting be held?

A. The Annual Meeting will be held virtually on Monday May 20, 2019, beginning at 9:00 a.m. Eastern Time.

Q. Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

A. Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the internet. Accordingly, on or about April 5, 2019, a Notice of Internet Availability of Proxy Materials and Notice of Annual Meeting of Stockholders (the "Notice") was first being mailed to our stockholders of record as of March 22, 2019 (the "Record Date") and our proxy materials are first being posted on the website referenced in the Notice (www.proxyvote.com). All stockholders will have the ability to access the proxy materials on the website referred in the Notice or request a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice. In addition, stockholders may request proxy materials by mail or electronically by email on an ongoing basis. We encourage stockholders to take advantage of the availability of the proxy materials on the internet to help save printing and postage costs and to reduce the environmental impact of the Annual Meeting.

Q. Who can vote at the Annual Meeting?

A. Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. There were 34,405,268 shares of common stock, par value \$0.01 per share (the "Common Stock") outstanding and entitled to vote as of the close of business on the Record Date.

Q. What will I need in order to attend the Annual Meeting?

A. You may attend the Annual Meeting, vote, and submit a question during the Annual Meeting by visiting www.virtualshareholdermeeting.com/carb2019 and using your 16 digit control number to enter the meeting. If you are not a stockholder of record but hold shares as a beneficial owner in street name, you may be required to provide proof of beneficial ownership, such as your most recent account statement as of the Record Date, a copy of the voting instruction form provided by your broker, bank, trustee, or nominee, or other similar evidence of ownership. If you do not comply with the procedures outlined above, you will not be admitted to the virtual Annual Meeting.

Q. What if my shares are registered in my name?

A. If, on the Record Date, your shares were registered directly in your name with Carbonite's transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record. As a stockholder of record, you may vote at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the internet as instructed below to ensure that your vote is counted.

Q. What if my shares are registered in the name of a broker, bank or other agent?

A. If, on the Record Date, your shares were held in an account at a brokerage firm, bank or other agent, then you are the beneficial owner of shares held in "street name", and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank or other agent as to how to vote the shares of Common Stock in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares at the Annual Meeting unless you request and obtain a valid proxy card from your broker, bank or other agent.

Q. What am I being asked to vote on?

A. You are being asked to vote FOR:

• the election of the three Class II directors identified in this Proxy Statement to hold office until the 2022 annual meeting of stockholders or until their successors are elected and qualified;

• the ratification of the selection by the Audit Committee of our Board of Deloitte as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019; and

• the approval, on an advisory basis, of the 2018 compensation of the Company's named executive officers.

In addition, you are entitled to vote on any other matters that are properly brought before the Annual Meeting.

Q. How do I vote?

A. You may vote by mail, if you received a printed copy of the proxy materials, or follow any alternative voting procedure described on the proxy card or the Notice. To use an alternative voting procedure, follow the instructions on each proxy card that you receive or on the Notice.

For the election of directors, you may either vote "For" a nominee or you may "Withhold" your vote for a nominee. For the ratification of the selection of the Company's independent registered public accounting firm and the advisory vote to

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approve named executive officer compensation, you may vote “For” or “Against” or abstain from voting.

Q. What are the voting procedures for stockholders of record?

A. If you are a stockholder of record, you may vote at the Annual Meeting. Alternatively, you may vote by mail by using the accompanying proxy card if you receive your proxy materials by U.S. mail or over the internet or by telephone using the instructions on the proxy card or the Notice. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure that your vote is counted. Even if you have submitted a proxy before the Annual Meeting, you may still attend the Annual Meeting. In such case, your previously submitted proxy card will be disregarded.

To vote by proxy over the internet or by telephone, follow the instructions provided on the proxy card or in the Notice.

If you requested printed copies of the proxy materials by mail, you may vote by mail using the accompanying proxy card by completing, signing, and dating the proxy card and returning it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

Q. What are the voting procedures if my shares are registered in the name of a broker, bank or other agent?

A. If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a voting instruction card and voting instructions with these proxy materials from that organization rather than from us. To ensure that your vote is counted, follow the directions set forth on the voting instruction card and voting instructions that you receive. To vote at the Annual Meeting, you must obtain a valid proxy card from your broker, bank or other agent. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy card.

Q. Who counts the votes?

A. Broadridge Financial Solutions, Inc. (“Broadridge”) has been engaged as our independent agent to provide advisory, consulting and solicitation services, and to tabulate stockholder votes. If you are a stockholder of record, your executed proxy card is returned directly to Broadridge for tabulation. If you hold your shares through a broker, your broker returns one proxy card to Broadridge on behalf of all its clients.

Q. How are votes counted?

A. Each share of Common Stock outstanding on the Record Date is entitled to one vote on each matter. With respect to Proposal One, the election of the directors, the three nominees receiving the highest number of votes will be elected. There is no cumulative voting.

With respect to Proposal Two and Proposal Three, the affirmative vote of the holders of a majority in voting power of the votes cast by holders of the shares of Common Stock that are present in person or by proxy and voting on each such proposal is required for approval.

If your shares are held by a broker, bank, or other agent (that is, in “street name”) and you do not instruct the broker, bank, or other agent as to how to vote these shares on Proposals One, Three, or Four, the broker, bank, or other agent may not exercise discretion to vote on those proposals. This would be a “broker non-vote,” and these shares will not be counted as having been voted on the applicable proposal. However, “broker non-votes” will be considered present and will be counted towards determining whether or not a quorum is present. With respect to Proposal Two, the broker, bank, or other agent may exercise its discretion to vote for or against that proposal in the absence of your instruction. Please instruct your broker, bank, or other agent so that your vote can be counted.

If stockholders abstain from voting, including brokers, banks, or other agents holding their clients' shares of record who cause abstentions to be recorded, these shares will be considered present and entitled to vote at the Annual Meeting and will be counted towards determining whether or not a quorum is present. Abstentions will have no effect with regard to Proposals One, Two or Three.

Q. How do I vote via internet or telephone?

A. You may vote by proxy via the internet or by telephone by following the instructions provided on the proxy card or in the Notice. Please be aware that if you vote by phone or over the internet, you may incur costs such as telephone and internet access charges for which you will be responsible. The internet and telephone voting facilities for eligible stockholders of record will close at 11:59 p.m. Eastern Time on May 19, 2019. The giving of such a telephonic or internet proxy will not affect your right to vote virtually should you decide to attend the Annual Meeting.

The telephone and internet voting procedures are designed to authenticate stockholders' identities, to allow stockholders to give their voting instructions and to confirm that stockholders' instructions have been recorded properly.

Q. What if I return a proxy card but do not make specific choices?

A. If we receive a signed and dated proxy card and the proxy card does not specify how your shares are to be voted, your shares will be voted in accordance with the recommendations of our Board, including "For" the election of each of the three nominees for director, "For" the ratification of the appointment of Deloitte as our independent registered public accounting firm and "For" the approval, on an advisory basis, of named executive officer compensation. If any other matter is properly presented at the Annual Meeting, your proxy (one

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of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Q. Who is paying for this proxy solicitation?

A. This proxy solicitation is being made on behalf of our Board. We will pay for the entire cost of soliciting proxies. In addition to mailed proxy materials and proxy materials available over the internet, our directors, officers, and employees may also solicit proxies in person, by telephone or by other means of communication. Directors, officers, and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks, and other agents for the cost of forwarding proxy materials to beneficial owners. The Company has engaged Broadridge to provide advisory, consulting and solicitation services. The Company has agreed to pay customary compensation for such services at an initial fee of \$37,000. Broadridge and our directors, officers and employees may solicit proxies by mail, in person or by telephone.

Q. What does it mean if I receive more than one set of proxy materials?

A. If you receive more than one set of proxy materials and/or Notices, your shares are registered in more than one name or are registered in different accounts. In order to vote all of the shares that you own, you must either sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards and/or Notices that you receive.

Q. Can I change my vote after submitting my proxy?

A. Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

• You may submit another properly completed proxy card with a later date.

• You may send a written notice that you are revoking your proxy to Carbonite's Secretary at Two Avenue de Lafayette, Boston, Massachusetts 02111.

You may attend the Annual Meeting and vote by visiting the following website:

• www.virtualshareholdermeeting.com/carb2018. To participate in the annual meeting, you will need the 16 digit control number included on your Notice, on your proxy card or on the instructions that accompanied your proxy materials. Simply attending the Annual Meeting will not, by itself, revoke your proxy.

If your shares are held by your broker, bank, or other agent, you should follow the instructions provided by such broker, bank, or other agent.

Q. When are stockholder proposals due for next year's Annual Meeting?

A. If you are interested in submitting a proposal for inclusion in the Proxy Statement for our 2020 annual meeting, you must follow the procedures outlined in Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). To be eligible for inclusion in the Proxy Statement, we must receive your stockholder proposal at the address noted below no later than December 7, 2019.

If you wish to present a proposal or nominate any candidates for election at our 2020 annual meeting, but do not wish to have the proposal or nomination considered for inclusion in the Proxy Statement and proxy card, you must give written notice to Carbonite's Secretary at the address noted below by February 20, 2020, but no sooner than January 21, 2020. However, if the 2020 annual meeting is held before April 20, 2020 or after July 29, 2020, then we must receive the required notice of a proposal or proposed director candidate no earlier than the 120th day prior to the 2020 annual meeting and no later than the close of business on the later of (1) the 70th day prior to the 2020 annual meeting and (2) the 10th day following the date on which public disclosure of the date of the 2020 annual meeting was made. You are also advised to review our By-Laws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Any proposals, notices, or information about proposed director candidates should be sent to Carbonite's Secretary at Two Avenue de Lafayette, Boston, Massachusetts 02111.

Q. What is the quorum requirement?

A. A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if the holders of a majority in voting power of the shares of Common Stock outstanding and entitled to vote are present in person or represented by proxy at the Annual Meeting. On the Record Date, there were 34,405,268 shares of Common Stock outstanding and entitled to vote. Accordingly, 17,202,635 shares of Common Stock must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum. Your shares will be counted towards the quorum if you submit a valid proxy vote or vote at the Annual Meeting. Abstentions and broker non-votes will also be counted towards the quorum requirement. If there is no quorum, either the chairperson of the Annual Meeting or a majority in voting power of the stockholders entitled to vote at the Annual Meeting present in person or represented by proxy may adjourn the Annual Meeting to another time or place.

Q. How can I find out the results of the voting at the Annual Meeting?

A. Voting results will be announced by the filing of a Current Report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended Current Report on Form 8-K within four business days of the day on which the final results are available.

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Q. Whom should I call if I have questions about the Annual Meeting or voting?

A. Please call Broadridge Financial Solutions, Inc., the firm assisting us in the solicitation of proxies, at 1-800-353-0103.

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PROPOSAL ONE
ELECTION OF DIRECTORS

The Company's Amended and Restated Certificate of Incorporation provides that our Board shall be divided into three classes, with the directors in each class having a three-year term.

The Board currently consists of eight directors, divided into the three following classes:

Class I (Term expiring in 2021): Mohamad Ali and Scott Daniels;
Class II (Term expiring in 2019): Charles Kane, Stephen Munford and Linda Connly; and
Class III (Term expiring in 2020): David Friend, Todd Krasnow and Marina Levison.

Our current class II directors, Ms. Connly and Messrs. Kane and Munford, have been re-nominated by our Board to serve as Class II directors and have each agreed to stand for reelection. Each director elected at the Annual Meeting will serve for a term ending on the date of the third annual meeting of stockholders following his or her election and until his or her successor is elected and has been qualified, or until his or her earlier death, resignation, or removal.

Shares represented by executed proxy cards will be voted, if authority to do so is not withheld, for the election of Ms. Connly and Messrs. Kane and Munford. In the event that any nominee is unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as our Board may propose. Each of Ms. Connly and Messrs. Kane and Munford has agreed to serve if elected, and management has no reason to believe that any such nominee will be unable to serve. Proxies cannot be voted for a greater number of persons than the number of nominees named in this Proxy Statement.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH NOMINEE NAMED IN THIS PROXY STATEMENT.

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Board of Directors, Corporate Governance & Related Matters

Our Board of Directors

The principal responsibility of our Board is to hire our chief executive officer and assess the overall strategy and direction of the Company and, in so doing, serve the best interests of the Company and its stockholders. The Company's Amended and Restated Certificate of Incorporation provides that our Board shall be divided into three classes, with the directors in each class serving a three-year term. There are currently eight directors on the Board. The following table sets forth, for our current directors, information with respect to their principal occupations, ages, positions/offices held with the Company, tenure, term of office and committee membership.

Name and Principal Occupation	Age	Position	Class	Director Since	Term Expires	Committees			
						Audit	Comp.	Nom./Gov.	ISRC
Charles Kane Director and former president of One Laptop Per Child	61	Director	II	2011	2019	ü		ü	
Stephen Munford Former Director and CEO of Sophos Ltd.	53	Director	II	2014	2019		ü	ü	ü
Linda Connly Founder and CEO of The Connly Advisory Services	53	Director	II	2019	2019				
Marina Levinson Founder and Chief Executive Officer of CIO Advisory Group, LLC	60	Director	III	2017	2020				ü
David Friend CEO of Wasabi, Inc.	71	Director	III	2005	2020				
Todd Krasnow President of Cobbs Capital, Inc.	61	Director	III	2005	2020	ü	ü		
Mohamad Ali President & CEO of the Company	48	President, CEO and Director	I	2015	2021				
Scott Daniels Former Senior Analyst of Shannon River Partners	53	Director	I	2016	2021	ü			ü

Set forth below is biographical information for each of the nominees and each person whose term of office as a director will continue after the Annual Meeting. The following includes certain information regarding our directors' individual experience, qualifications, attributes and skills that led our Board to conclude that they should serve as directors.

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Director Biographies and Qualifications

Directors Nominated as Class II Directors by the Board for Election

<p>Charles Kane Age: 61</p>	<p>Carbonite Committees: Chair, Audit Committee; Member Nominating & Governance Committee</p>	<p>Other Public Directorships: Progress Software Corporation; Realpages, Inc.</p>
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Charles Kane has served on our Board since July 2011. Since November 2006, Mr. Kane has served as a director of One Laptop Per Child, a non-profit organization that provides computing and internet access for students in the developing world, for which he also served as president and chief operating officer from March 2008 to July 2009. From July 2007 to March 2008, Mr. Kane served as executive vice president and chief administrative officer of Global BPO Services Corp., a special purpose acquisition corporation, and from August 2007 to March 2008, as chief financial officer of Global BPO. From May 2006 to October 2006, he served as chief financial officer of RSA Security Inc., a provider of e-security solutions. From July 2003 to May 2006, Mr. Kane served as chief financial officer of Aspen Technology, Inc., a provider of supply chain management software and professional services. Earlier in his career, Mr. Kane served as president and chief executive officer of Corechange, Inc., an enterprise software company, and as chief financial officer of Informix Software, Inc., a provider of database management systems. Mr. Kane also held financial positions with Stratus Computer, Inc., Prime Computer Inc. and Deloitte & Touche LLP. Since November 2006, Mr. Kane has served as a member of the board of directors and as chairman of the audit committee of Progress Software Corporation (NASDAQ: PRGS), a publicly-traded provider of infrastructure software. From May 2010 to September 2016, he served as a member of the board of directors and as chairman of the audit committee of Demandware, Inc., a provider of e-commerce solutions. From October 2012 to February 2019, Mr. Kane has served as a member of the board of directors and as chairman of the audit committee of PhotoBox LTD, an online digital photo service provider. Since November 2011 he has served as a member of the board of directors and as chairman of the audit committee of RealPage, Inc. (NASDAQ: RP), a publicly-traded provider of software solutions for the rental housing industry. Since February 2017, Mr. Kane has served as a member of the board of directors of Octo Telematics S.p.A, a global provider of telematics and data analytics solutions for the auto insurance industry. Since October 2018, Mr. Kane has served as a member of the board of directors of Syncsort, an infrastructure software company. Mr. Kane holds a B.B.A. in Accounting from the University of Notre Dame, an M.B.A. in International Finance from Babson College, and is senior lecturer of International Finance at the Massachusetts Institute of Technology Sloan School of Management.

Skills and Qualifications Senior Leadership Experience: Currently a senior lecturer of International Finance at the Massachusetts Institute of Technology Sloan School of Management. Former President and Chief Operating Officer of One Laptop Per Child; Chief Financial Officer of Global BPO Services; Chief Financial Officer of RSA Security, Inc.; and Chief Financial Officer of Aspen Technology, Inc.

Board Experience: Current director of Carbonite, Inc.; One Laptop Per Child; Progress Software Corporation; RealPage, Inc.; and Syncsort.

Anselm
College.
Former
director Old
Sturbridge
Village;
chairwoman
Boston
Chamber of
Commerce
Woman's
advisory
board;
advisory board
member
Americas
Association of
Inside Sales
Professionals.

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Stephen Munford	Independent Chairman of the Board Carbonite Committees: Member, Compensation Committee; Member, Nominating & Governance Committee; Member, Information Security Risk Committee	Other Public Directorships: None
Age: 53		

Stephen Munford has served on our Board since January 2014 and as chairman of the Board since March 2016. From May 2005 to September 2012, Mr. Munford served as chief executive officer of Sophos Group plc. (LSE: SOPH), a developer and vendor of security software, and from September 2012 to February 2019, Mr. Munford has served as a director on Sophos' board of directors. Mr. Munford also serves on the board of directors of Alertlogic, a leader in security and compliance solutions for the cloud; and Netmotion, Inc., a mobile performance management software. Mr. Munford holds a B.A. in Economics from the University of Western Ontario and an M.B.A. from Queen's University.

Skills and
Qualifications

Board

Experience: Current
director of

Carbonite, Inc.; Alertlogic and Netmotion. Former director of Sophos Group plc.

Senior Leadership Experience: Former interim Chief Executive Officer of Absolute Software Corporation and Chief Executive Officer of Sophos Group plc.

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Continuing Directors

David Friend		Other Public Directorships:
Age: 71	Carbonite Committees: None	None

David Friend has served on our Board since he co-founded our Company in February 2005. Since March 2016, Mr. Friend has served as the chief executive officer and as a member of the board of directors of Wasabi, Inc., a provider of cloud data storage. Previously, Mr. Friend served as our chief executive officer from February 2005 to December 2014, as our President from February 2005 to September 2007 and again from August 2010 to December 2014. On December 3, 2014, Mr. Friend resigned as President and Chief Executive Officer of the Company and became Executive Chairman of the Board. Mr. Friend served as Executive Chairman of the Board from December 2014 to February 2016. From March 1999 through March 2002, Mr. Friend co-founded and served as chief executive officer and president of Sonexis, Inc., a software company providing audio-conferencing services and served as a director of Sonexis from March 1999 through August 2004. From June 1995 through December 1999, Mr. Friend co-founded and served as chief executive officer and as a director of FaxNet Corporation, a supplier of messaging services to the telecommunications industry. Prior to that time, Mr. Friend co-founded Pilot Software, Inc., a software company, in 1983. Previously, Mr. Friend founded Computer Pictures Corporation, a software company whose products applied computer graphics to business data, and served as president of ARP Instruments, Inc., an audio hardware manufacturer. Mr. Friend served as a director of GEAC Computer Corporation Ltd., a publicly-traded enterprise software company, from October 2001 to October 2006, and currently serves as a director of CyraCom International, Inc., DealDash Oyj, and Netblazr, Inc. Mr. Friend holds a B.S. in Engineering from Yale University.

Skills and Qualifications Senior Leadership Experience: Currently the Chief Executive Officer of Wasabi, Inc. Formerly the Chief Executive Officer and President of Carbonite, Inc.; Co-Founder and Chief Executive Officer of Sonexis, Inc.; Co-Founder and Chief Executive Officer of FaxNet Corporation.

Board Experience: Carbonite, Inc.; Wasabi, Inc.; CyraCom International, Inc.; Netblazr, Inc.; and

DealDash
Oyj.

Todd Krasnow

Age: 61

Carbonite Committees:

Chair, Compensation Committee; Member, Audit Committee

Other Public Directorships:

Tile Shop Holdings, Inc., Bakkavor

Todd Krasnow has served on our Board since September 2005 and served as our lead independent director from April 2011 to December 2015. Mr. Krasnow has served as the president of Cobbs Capital, Inc., a private consulting company, since January 2005, and as an operating partner at Porchlight Equity Capital (formerly Highland Consumer Fund), a venture capital firm, since June 2007. Previously, Mr. Krasnow was the chairman of Zoots, Inc., a dry cleaning company from June 2003 to January 2008 and chief executive officer of Zoots, Inc. from February 1998 to June 2003. He served as the executive vice president of sales and marketing of Staples, Inc. from May 1993 to January 1998 and in other sales and marketing positions for Staples, Inc. from March 1986 to May 1993. Mr. Krasnow is a director of Tile Shop Holdings, Inc. (NASDAQ: TTS), a publicly-traded retailer of tile and stone, and is chairman of the Tile Shop Holdings' compensation committee. Mr. Krasnow is also a director of Ecentria, a privately held online marketer of optical, outdoor, and camping gear, and Bakkavor Group plc (LON: BAAK), a UK-based maker of fresh prepared meals. Mr. Krasnow holds an M.B.A. from the Harvard University Graduate School of Business and an A.B. in Chemistry from Cornell University.

Skills and
Qualifications

Board

Experience: Current

director of

Carbonite, Inc.;

Tile Shop

Holdings, Inc.;

Ecentria; and

Bakkavor

Group plc.

Former

chairman of

Zoots, Inc.

Senior Leadership Experience: Currently the President of Cobbs Capital, Inc. Formerly the Chief Executive Officer of Zoots, Inc.; and Vice President of Sales and Marketing of Staples, Inc.

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Marina Levinson

Age: 60	Carbonite Committees: Member, Information Security Risk Committee	Other Public Directorships: Ellie Mae
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Marina Levison joined the Carbonite Board of Directors in May 2017. She is the founder and CEO of CIO Advisory Group LLC, which was founded in September 2011. Since April 2014, she has also been a partner at venture capital firm Benhamou Global Ventures. Ms. Levinson is a member of the board of directors of Ellie Mae (NYSE: ELLI) and serves as chairwoman of its cybersecurity and technology committee. Ms. Levinson is also a member of the board of directors of Sherpa Digital Media, a private company and Personal Capital, a private company. From 2005 to 2011, Ms. Levinson served as senior vice president and chief information officer for NetApp, Inc. From 1999 to 2005, she served as vice president and chief information officer for Palm, Inc., having earlier served as senior director of global integration at 3Com.

Skills and Qualifications

Board

Experience: Current director of Carbonite, Inc.; Ellie Mae, Inc.; Personal Capital; Sherpa Digital Media	Senior Leadership Experience: Founder and chief executive officer of CIO Advisory Group, LLC, and partner at Benhamou Global Ventures.
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Mohamad Ali

Age: 48	Carbonite Committees: None	Other Public Directorships: iRobot Corporation
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Mohamad Ali was appointed as President and Chief Executive Officer, effective as of December 3, 2014, and as a Class I director of the Company, effective as of January 8, 2015. He served as chief strategy officer of Hewlett-Packard, an information technology company, from August 2012 to December 2014. From April 2012 to August 2012, Mr. Ali served as chief executive officer of the Workforce Optimization division of Aspect Software, a provider of business communications solutions and services. From April 2011 to April 2012, Mr. Ali served as senior vice president and president of the global services business of Avaya Corporation, a provider of business collaboration and communications solutions, and from July 2009 to March 2011 he served as Avaya's senior vice president of corporate development and strategy. From January 1996 to July 2009, Mr. Ali served in various roles at IBM, including vice president of business and strategy for the information management division from 2005 to 2009. Mr. Ali currently serves as a director of iRobot Corporation (NASDAQ: IRBT). Mr. Ali holds a B.S. in Computer Engineering, a B.A. in History and a Master of Science in Electrical Engineering from Stanford University.

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Skills and Senior Leadership Experience: Current Chief Executive
Qualifications Officer of Carbonite, Inc.; former Chief Strategy Officer of
Hewlett-Packard; President of Avaya Global Services; and
Board Senior executive at IBM.

Experience: Current

director of
Carbonite,
Inc., iRobot
Corporation,
and two
nonprofits,
Oxfam
America and
Massachusetts
Technology
Leadership
Council.
Former
director of
City National
Corporation
and City
National Bank.

Scott

Daniels Carbonite Committees:

Chair, Information Security Risk Committee; Member, Audit Committee

Other Public Directorships:

None

Age: 53

Scott Daniels has served on our Board since January 2016. Mr. Daniels currently consults with technology organization to drive growth and define strategies for building shareholder value. He also works with companies and boards on developing transparent structures for managing cybersecurity risk. From July 2013 to April 2014, Mr. Daniels served as a senior analyst of Shannon River Partners, a private hedge fund focused on technology, media and communications companies. From November 2005 to July 2013, Mr. Daniels served as a senior analyst and partner of S Squared Technology, a technology investment fund where he evaluated and invested in multiple publicly traded small and mid-sized emerging growth technology companies around the world. Prior to S Squared Technology, Mr. Daniels served in various analyst roles covering technology and software companies. Mr. Daniels holds an M.B.A from Columbia Business School and a B.A. in English Literature from University of Pennsylvania.

Skills

and

Qualifications

Board Senior Leadership Experience: Formerly a Senior Analyst of Shannon River Partners, and a Senior
Experience Analyst and Partner of S Squared Technology.

director

of

Carbonite,

Inc.

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Board Leadership Structure & Governance

Independent Chairman of the Board

To strengthen our corporate governance practices, in early 2016, the Board appointed a non-executive Chairman, a position currently held by Mr. Munford. This position is independent from management. The Chairman presides over the Board meetings. Mr. Ali, our Chief Executive Officer, is a member of our Board and participates in its meetings. The Board believes that this leadership structure is appropriate for the Company because it allows for independent oversight of management, increases management accountability, and encourages an objective evaluation of management's performance relative to compensation. Six of our eight current directors are independent under the listing requirements of The NASDAQ Stock Market ("NASDAQ"), and all of the members of the Audit Committee, Nominating & Corporate Governance Committee, Information Security Risk Committee and Compensation Committee are independent directors pursuant to the listing requirements and rules of NASDAQ and other applicable laws, rules and regulations.

Resources

Good corporate governance is important to ensure that the Company is managed for the long term benefit of its stockholders and to enhance the creation of long term stockholder value. Each year, the Board or one of its committees reviews the written charters for each of the Board's standing committees and our Code of Business Conduct and Ethics. The current versions of each of these documents is available by visiting the Corporate Governance section of our website at <http://investor.carbonite.com/corporate-governance>, or by requesting a copy in print without charge upon written request to our Secretary.

Independence of Our Board of Directors

As required under the rules and regulations of NASDAQ, independent directors must comprise a majority of a listed company's board of directors. Our Board, in consultation with our counsel, has undertaken a review of its composition, the composition of its committees, and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment, and affiliations, including family relationships, our Board has determined that Ms. Levinson, Ms. Connly and Messrs. Daniels, Kane, Krasnow, and Munford, representing six of our eight current directors, do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing requirements and rules of NASDAQ. There are no family relationships among any of our directors, director nominees, or named executive officers. In making this determination, our Board considered the current and prior relationships that each non-employee director has with us and all other facts and circumstances that our Board deemed relevant in determining each non-employee director's independence, including the beneficial ownership of our capital stock by each non-employee director. Because it is not possible to anticipate or explicitly provide for all circumstances that might signal potential conflicts of interest or bear on the materiality of a director's relationship with the Company, our Board, when making its "independence" determinations, prefers to broadly consider all relevant facts and circumstances, including, without limitation, applicable independence standards promulgated by NASDAQ.

Code of Business Conduct & Ethics

We have adopted a Code of Business Conduct and Ethics (the "Code") that is applicable to all of our directors, officers and employees. The Code includes standards and procedures for reporting and addressing potential conflicts of interest, the accuracy of the Company's financial records, corporate opportunities and insider information, as well as a general code of conduct that provides guidelines regarding how to conduct business in an ethical manner. A copy of

the Code is available on our website on the investor relations page at <http://investor.carbonite.com/corporate-governance>. Any waivers of the Code for directors or executive officers, or any amendments to the Code, shall be posted on the Company's website within four business days of such amendments or waivers, as the case may be and, to the extent required by the listing standards of NASDAQ, by filing a Current Report on Form 8-K with the SEC, disclosing such information.

Board Responsibility; Risk Oversight

Our Board is responsible for, among other things:

○ Oversight of our business;

Ⓜ Review of the performance of our chief executive officer; and

Ⓜ Review and approval of our significant financial objectives, plans, and actions.

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The Board conducts an annual self-evaluation, an annual peer evaluation, a review of the committee structure, and an assessment of its compliance with our governance principles. In fulfilling our Board’s responsibilities, directors have full access to our management and independent advisors.

While the Audit Committee is primarily responsible for overseeing our risk management function, our entire Board is actively involved in risk management oversight. For example, our Board engages in periodic discussions with such Company executive officers as our Board deems necessary, including the chief executive officer, independent chairman, chief financial officer and general counsel. In addition, our Compensation Committee reviews compensation policies and practices as they relate to risk management practices and risk-taking incentives and our Information Security Risk Committee reviews technology and infrastructure security risks. We believe that the leadership structure of our Board supports effective risk management oversight.

Risk Assessment and Compensation Practices

Our Compensation Committee has reviewed our compensation policies and practices for our employees as they relate to our risk management and, based upon this review, we believe that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on us in the future.

Specifically, we believe that the elements of our compensation programs do not encourage unnecessary or excessive risk-taking. Base salaries are fixed in amount. A significant portion of the compensation provided to our executive officers, and a material amount of the compensation provided to other employees, is in the form of equity awards that help align executive officer and employee interests with those of our stockholders. We do not believe that these awards encourage unnecessary or excessive risk-taking because the ultimate value of the awards is tied to our stock price, and because awards are staggered and subject to long-term vesting schedules that help ensure that executive officers and employees have a meaningful amount of compensation tied to long-term stock price performance.

Board Committees

Our Board has established the following committees: an audit committee, a compensation committee, a nominating and corporate governance committee, and an information security risk committee. The composition and responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our Board.

	Audit	Compensation	Nominating and Corporate Governance	Information Security Risk
David Friend				
Todd Krasnow	M	Ch		
Mohamad Ali				
Scott Daniels	M			Ch
Charles Kane	Ch		M	
Stephen Munford (IC)		M	CH	M
Marina Levinson				M
Linda Connly				

IC = Independent Chairman of the Board Ch = Committee Chair M = Committee Member
Audit Committee

Our Audit Committee oversees our accounting and financial reporting process, the audit of our financial statements, and our internal control processes. Among other matters, the Audit Committee:
 • evaluates the independent registered public accounting firm's qualifications, independence, and performance;

- determines the engagement, retention, and compensation of the independent registered public accounting firm;
- reviews and approves the scope of the annual audit and the audit fee;
- discusses with management and the independent registered public accounting firm the results of the annual audit and
- the review of our quarterly financial statements, including the disclosures in our annual and quarterly reports filed with the SEC;
- approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;
- reviews our risk assessment and risk management processes;

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establishes procedures for receiving, retaining and investigating complaints received by us regarding accounting, internal accounting controls, or audit matters;

monitors the rotation of partners of the independent registered public accounting firm on the Carbonite engagement team as required by law;

reviews our critical accounting policies and estimates; and

oversees any internal audit function. Additionally, the Audit Committee reviews and approves related person transactions and reviews and evaluates, on an annual basis, the Audit Committee charter and the committee's performance.

The current members of our Audit Committee are Messrs. Daniels, Kane and Krasnow, with Mr. Kane serving as the chair of the committee. All members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and NASDAQ. Our Board has determined that Mr. Kane is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of NASDAQ. Messrs. Daniels, Kane and Krasnow are independent as defined under the applicable rules and regulations of the SEC and NASDAQ for service on the Audit Committee. The Audit Committee operates under a written charter, a copy of which is posted on our website at <http://investor.carbonite.com/corporate-governance>.

Compensation Committee

Our Compensation Committee reviews and recommends policies relating to compensation and benefits of our executive officers and employees. Among other matters, the Compensation Committee:

annually reviews and approves corporate goals and objectives relevant to compensation of our chief executive officer and other senior executive officers, evaluates the performance of these officers in light of those goals and objectives, and sets the compensation of these officers based on such evaluations;

administers the issuance of stock options and other awards under our equity compensation plans; and

reviews and evaluates, on an annual basis, the Compensation Committee charter and the committee's performance.

For a description of the Compensation Committee's processes and procedures, including the roles of our executive officers and independent compensation consultants in the Compensation Committee's decision-making process, see the section entitled "Compensation Discussion and Analysis" below. Pursuant to its charter and to the extent permitted by applicable law and regulation, the Compensation Committee may delegate any of its authority to a subcommittee or single member of the Compensation Committee, except where it would interfere with the compensation safe harbors afforded by Section 162(m) of the Internal Revenue Code or Section 16(b) of the Exchange Act. Further, to the extent permitted by applicable law and the provisions of any equity-based plan, the Compensation Committee may delegate to one or more of the Company's executive officers the power to grant options, stock, or other equity rights to employees of the Company who are not directors or executive officers of the Company.

The current members of our Compensation Committee are Messrs. Krasnow and Munford, with Mr. Krasnow serving as the chair of the committee. All of the members of our Compensation Committee are independent under the applicable rules and regulations of the SEC, NASDAQ, and Section 162(m) of the Internal Revenue Code. The Compensation Committee operates under a written charter, a copy of which is posted on our website at <http://investor.carbonite.com/corporate-governance>.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is responsible for making recommendations regarding corporate governance; identification, evaluation and nomination of candidates for directorships; and the structure and

composition of our Board and committees of our Board. In addition, the Nominating and Corporate Governance Committee:

- approves our committee charters;
- oversees compliance with our code of business conduct and ethics;
- contributes to succession planning;
- reviews actual and potential conflicts of interest of our directors and officers other than related person transactions reviewed by the Audit Committee;
- oversees our Board self-evaluation process;
- is responsible for making recommendations regarding non-employee director compensation to the full Board; and
- reviews and evaluates, on an annual basis, the Nominating and Corporate Governance Committee charter and the committee's performance.

The current members of our Nominating and Corporate Governance Committee are Messrs. Kane and Munford, with Mr. Munford serving as the chair of the committee. All of the members of our Nominating and Corporate Governance Committee are

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independent under the applicable rules and regulations of NASDAQ. The Nominating and Corporate Governance Committee operates under a written charter, a copy of which is posted on our website at <http://investor.carbonite.com/corporate-governance>.

Information Security Risk Committee

Our Information Security Risk Committee is responsible for overseeing the implementation of Carbonite's information security strategy, monitoring compliance with Carbonite's information security policies and procedures, and evaluating enterprise-level risks. In addition, the Information Security and Risk Committee:

- oversees the implementation of our information security strategy;
- monitors compliance with our information security policies and procedures; and
- evaluates enterprise-level risk arising from information security threats.

The current members of our Information Security Risk Committee are Ms. Levinson and Messrs. Daniels and Munford, with Mr. Daniels serving as the chair of the committee. All of the members of our Information Security Risk Committee serving since the beginning of the last fiscal year are independent under the applicable rules and regulations of NASDAQ. The Information Security Risk Committee operates under a written charter, a copy of which is posted on our website at <http://investor.carbonite.com/corporate-governance>.

Criteria and Procedures for Director Nominations

In selecting director candidates, the Nominating and Corporate Governance Committee and our Board consider whether the candidates possess the required skill sets and fulfill the qualification requirements of directors approved by our Board. In this respect, the Nominating and Corporate Governance Committee and our Board consider, among other qualifications: experience; background; judgment; integrity; understanding of the Company's business environment; personal accomplishment; diversity of viewpoint, experience, education, skill, race, gender and/or national origin; experience in corporate management or as an officer or director of another publicly held company; and willingness to devote adequate time to Board duties. In evaluating candidates for nomination to our Board, the Nominating and Corporate Governance Committee shall take into account NASDAQ listing rules and any other applicable law, regulation or rule. Other than the foregoing, there are no minimum criteria for director nominees, and the Nominating and Corporate Governance Committee may consider such other qualifications as it may deem appropriate. The Board evaluates each individual in the context of our Board as a whole, with the objective of recommending a group that can best achieve the success of the Company's business and represent stockholder interests through the exercise of sound judgment.

Potential director candidates will be discussed by the Nominating and Corporate Governance Committee and proposed for nomination by the entire Board. The Nominating and Corporate Governance Committee identifies nominees by first evaluating the current members of our Board willing to continue in service. Current members of our Board with skills and experience that are relevant to the Company's business and who are willing to continue in service are considered for nomination, balancing the value of continuity of service with that of obtaining a new perspective. If any member of our Board did not wish to continue in service or if the Nominating and Corporate Governance Committee decided not to nominate a member for reelection, the Nominating and Corporate Governance Committee would identify the desired skills and experience of a new nominee based on the criteria listed above. Executive search firms may be retained to identify individuals that meet the criteria of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. For a stockholder to nominate an individual for election to our Board at an annual meeting, the

stockholder must provide notice to the Company, which notice must be delivered to, or mailed and received at, the Company's principal executive offices not less than 90 days and not more than 120 days prior to the one-year anniversary of the preceding year's annual meeting; provided, that if the date of the applicable annual meeting is more than 30 days before or more than 70 days after such anniversary date, the stockholder's notice must be delivered, or mailed and received, not less than 70 days and not more than 120 days prior to the date of such annual meeting or, if later, the 10th day following the date on which public disclosure of the date of such annual meeting is made. Further updates and supplements to such notice may be required at the times and in the forms required under our By-Laws. As set forth in our By-Laws, submissions must include the name and address of the proposed nominee and information regarding the proposed nominee that is required to be disclosed in a proxy statement or other filings in a contested election pursuant to Section 14(a) under the Exchange Act. Our By-Laws also specify further requirements as to the form and content of a stockholder's notice. We recommend that any stockholder wishing to make a nomination for a director review a copy of our By-Laws, as amended and restated to date, which are available, without charge, from our Secretary, at Two Avenue de Lafayette, Boston, Massachusetts 02111.

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Compensation Committee Interlocks and Insider Participation

Mr. Gyenes, Mr. Krasnow and Mr. Munford served as members of our Compensation Committee during our last completed fiscal year. Neither Mr. Gyenes, Mr. Krasnow nor Mr. Munford (a) are, or have at any time during the past year been, officers or employees of ours, (b) were formerly officers of ours, or (c) have had any relationship requiring disclosure by us under Item 404 of Regulation S-K.

None of our executive officers currently serves, or in the past year has served, as a member of our Board or Compensation Committee (or other Board committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board or Compensation Committee.

Meetings of the Board of Directors, Board and Committee Member Attendance and Annual Meeting Attendance

Our Board met thirty-three (33) times during the last fiscal year. The Audit Committee met eight (8) times, the Compensation Committee met four (4) times and acted by unanimous written consent one (1) time, the Nominating and Corporate Governance Committee met four (4) times, and the Information Security Risk Committee met nine (9) times during the last fiscal year. During 2018, each Board member attended 75% or more of the aggregate of the meetings of our Board and of the committees on which each served. We encourage all of our directors and nominees for director to attend our annual meetings of stockholders; however, attendance is not mandatory. Three of our directors attended our 2018 annual meeting of stockholders.

Stockholder Communications with the Board of Directors

Stockholders and other interested parties who would like to communicate with an individual director, our Board as a group, or a specified Board committee or group, including the independent directors as a group, may do so by writing to them by mail, c/o Carbonite, Inc., Two Avenue de Lafayette, Boston, Massachusetts 02111, Attention: Secretary. Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. The Company will initially receive and process communications before forwarding them to the addressee. Communications also may be referred to other departments within the Company. Any such communication is then distributed to the director or directors named therein unless such communication is considered, either presumptively or in the reasonable judgment of the Company's Secretary, to be improper for submission to the intended recipient or recipients. Examples of communications that would presumptively be deemed improper for submission include, without limitation, solicitations, communications that are primarily commercial in nature, communications that are related to an improper or irrelevant topic, or communications that request general information about the Company.

Certain Relationships And Related Transactions

There were no transactions (or proposed transactions) or series of similar transactions, during our last fiscal year to which we were a participant or will be a participant in which:

the amounts involved exceeded or will exceed \$120,000; and

any of our directors or director nominees, executive officers, holders of more than 5% of our Common Stock, or any member of their respective immediate families, had or will have a direct or indirect material interest.

Policies and Procedures for Related Person Transactions

Our Board has adopted a written related person transaction policy that sets forth the policies and procedures for the review and approval or ratification of related person transactions. This policy is administered by our Audit Committee and covers any transaction, arrangement, or relationship, or any series of similar transactions, arrangements, or relationships, in which (i) we were or are to be a participant, (ii) the amount involved exceeds \$50,000 and (iii) a related person had or will have a direct or indirect material interest. While the policy covers related person transactions in which the amount involved exceeds \$50,000, the policy states that related person transactions in which the amount involved exceeds \$120,000 are required to be disclosed in applicable filings as required by the Securities Act of 1933, as amended (the "Securities Act"), Exchange Act, and related rules. Our Board set the \$50,000 threshold for approval of related person transactions in the policy at an amount lower than that which is required to be disclosed under the Securities Act, Exchange Act, and related rules because we believe that a greater level of scrutiny is appropriate for our Audit Committee in reviewing transactions or potential transactions with related persons. Pursuant to this policy, our Audit Committee will (i) review the relevant facts and circumstances of each related person transaction, including if the transaction is on terms comparable to those that could be obtained in arm's-length dealings with an unrelated third party and the extent of the related party's interest in the

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transaction, and (ii) take into account the conflicts of interest and corporate opportunity provisions of our code of business conduct and ethics. Management will present to our Audit Committee each proposed related person transaction, including all relevant facts and circumstances relating thereto, and will update the Audit Committee as to any material changes to any related person transaction. All related person transactions may only be consummated if our Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in the policy. Certain types of transactions have been exempted from this policy. These exempted transactions include: (i) certain compensation arrangements; (ii) transactions in the ordinary course of business where the related party's interest arises only (a) from his or her position as a director of another entity that is party to the transaction, (b) from an equity interest of less than 5% in another entity that is party to the transaction, or (c) from a limited partnership interest of less than 5%, subject to certain limitations; and (iii) transactions in the ordinary course of business where the interest of the related party arises solely from the ownership of a class of equity securities in the Company where all holders of such class of equity securities will receive the same benefit on a pro rata basis. No director may participate in the approval of a related person transaction for which he or she is a related party.

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DIRECTOR COMPENSATION

Overview of Director Compensation Program

We use a combination of cash and stock-based compensation to attract and retain qualified persons to serve on our Board of Directors. The form and amount of director compensation is determined by our Board. We also reimburse our non-employee directors for reasonable travel and other expenses incurred in connection with attending Board and committee meetings and other meetings as part of normal Board service. Mr. Ali, a member of our Board and the Company's President and Chief Executive Officer, does not receive any additional compensation for his service on our Board. The compensation that we pay to Mr. Ali is discussed in the "Compensation Discussion and Analysis" section beginning on page 34.

Director Cash Compensation

In 2018, non-employee directors received cash compensation for their services as members of our Board, as follows:

Non-Employee Chairman of the Board Fee	\$20,000
Annual Retainer Fee (Non-Employee Directors)	\$35,000
Audit Committee Chairperson	\$15,000
Compensation Committee Chairperson	\$10,000
Nominating and Corporate Governance Committee Chairperson	\$6,000
Information Security Risk Committee Chairperson	\$6,000
Audit Committee Members	\$7,500
Compensation Committee Members	\$5,000
Nominating and Corporate Governance Committee Members	\$3,000
Information Security Risk Committee Members	\$3,000

As part of a compensation review conducted by the Compensation Committee's independent compensation consultant Radford, an Aon Company ("Radford"), the compensation for non-employee directors for service as members on the Board was updated as follows for 2019:

Non-Employee Chairman of the Board Fee	\$50,000
Annual Retainer Fee (Non-Employee Directors)	\$35,000
Audit Committee Chairperson	\$20,000
Compensation Committee Chairperson	\$14,000
Nominating and Corporate Governance Committee Chairperson	\$8,000
Information Security Risk Committee Chairperson	\$8,000
Audit Committee Members	\$10,000
Compensation Committee Members	\$7,000
Nominating and Corporate Governance Committee Members	\$4,000
Information Security Risk Committee Members	\$4,000

Director Stock-Based Compensation

In 2018, each newly elected or appointed non-employee director received an initial grant of \$150,000 in value of restricted shares, when he or she joins our Board, which vests annually over three years and are settled in shares of Common Stock. Thereafter,

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on the date of each annual meeting of stockholders, each non-employee director receives an annual grant of \$125,000 in value of restricted shares, which vests upon the earlier of (i) the date of the next annual meeting of stockholders, or (ii) upon the one-year anniversary of the date of grant, and are settled in shares of Common Stock. As part of the compensation review for 2019, the equity component of the compensation for non-employee directors was increased such that each newly elected or appointed non-employee director shall receive an initial grant of \$200,000 in value of restricted shares, and each non-employee director shall receive an annual grant of \$200,000 in value of restricted shares, subject to the vesting provisions set forth herein. All such restricted shares are subject to the continued service by the non-employee director on our Board, and automatically vest in full and become exercisable immediately prior to a change in control of the Company.

Director Ownership Guidelines

On February 1, 2016, the Board approved stock ownership guidelines for the Board and senior executives. The Board believes that significant stock ownership by Board members and Section 16 officers of the Company further aligns their interests with the interests of the Company's stockholders. The ownership guidelines provide that within three (3) years after (i) the effective date of the guidelines or (ii) joining the Board, each non-management Board member shall own shares of the Company's common stock having a value, at a minimum, of three times the annual cash retainer for service on the Board as established from time to time by the Board. Shares that count toward this ownership guideline include shares owned outright in the Board member's name and shares held in trust for the member's benefit or the benefit of the member's immediate family. Shares that do not count toward this ownership guideline include unexercised stock options and shares of restricted stock for which restrictions have not yet lapsed (unvested restricted stock). A non-management Board member will not be permitted to sell shares of the Company's common stock (using established pre-clearance procedures) unless such Board member's holdings of the Company's common stock meet the minimum ownership guideline established above.

2018 Director Compensation Table

The following table provides information concerning the compensation earned by each of our non-employee directors for the year ended December 31, 2018.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards(\$)(1)	Total (\$)
Scott Daniels	48,500	143,474	191,974
Marina Levinson	38,000	143,474	181,474
David Friend	35,000	143,474	178,474
Peter Gyenes (2)	46,000	143,474	189,474
Charles Kane	53,000	143,474	196,474
Todd Krasnow	52,500	143,474	195,974
Stephen Munford	66,000	143,474	209,474

The amounts reported in this column represent the aggregate grant date fair value of stock awards, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation ("FASB ASC Topic 718"), except that no forfeiture assumptions were included (1) in this calculation. See Note 11 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2018 for a discussion of the relevant assumptions used in calculating these amounts. Note that amounts reported in this column reflect the accounting cost for these stock awards, and do not correspond to the actual economic value that may be received by the recipients of these stock awards.

(2) Mr. Gyenes resigned from our Board effective February 7, 2019.

The following table shows the aggregate number of stock awards and stock option awards held as of December 31, 2018 by each of our non-employee directors who served during 2018:

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Name	Stock Awards (#)	Option Awards (#)
Scott Daniels	5,153	—
Marina Levinson	9,088	—
David Friend	4,111	91,125
Peter Gyenes (1)	4,111	9,000
Charles Kane	4,111	56,500
Todd Krasnow	4,111	60,500
Stephen Munford	4,111	43,000

(1)Mr. Gyenes resigned from our Board effective February 7, 2019.

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PROPOSAL TWO

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board has engaged Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2019 and is seeking ratification of such selection by our stockholders at the Annual Meeting. Representatives of Deloitte are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our By-Laws nor other governing documents or law require stockholder ratification of the selection Deloitte as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of Deloitte to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Deloitte. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

Change in Independent Registered Public Accounting Firm

The Audit Committee of our Board determined, consistent with good governance practices, to review the selection of our independent auditor for the fiscal year ending December 31, 2017. We conducted a competitive request for proposal process with several independent registered public accounting firms, including our previous incumbent auditor, Ernst & Young LLP (“EY”). Following the conclusion of this process, the Audit Committee, on August 14, 2017, recommended and authorized the dismissal of EY as our independent registered public accounting firm, and authorized the engagement of Deloitte to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2017.

The reports of EY on our consolidated financial statements for each of the two fiscal years ended December 31, 2016 and 2015, did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles. In connection with the audits of our consolidated financial statements for each of the two fiscal years ended December 31, 2016 and 2015, and in the subsequent interim periods through August 14, 2017, there were no disagreements (as described in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) with EY on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which, if not resolved to the satisfaction of EY, would have caused EY to make reference to the matter in their report.

THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE RECOMMEND A VOTE FOR THE RATIFICATION OF THE SELECTION OF DELOITTE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

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Audit-Related Matters

Report of the Audit Committee of the Board of Directors

The primary purpose of the Audit Committee is to oversee our financial reporting processes on behalf of our Board. The Audit Committee's functions are more fully described in its charter, which is available on our website at <http://investor.carbonite.com/corporate-governance>. Management has the primary responsibility for our financial statements and reporting processes, including our systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management Carbonite's audited consolidated financial statements as of and for the fiscal year ended December 31, 2018.

The Audit Committee has discussed with Deloitte, the Company's independent registered public accounting firm, the matters required to be discussed by Auditing Standard (AS) 1301, "Communications with Audit Committees" issued by the Public Company Accounting Oversight Board ("PCAOB"). In addition, the Audit Committee discussed with Deloitte their independence and received from Deloitte the written disclosures and the letter required by Ethics and Independence Rule 3526 of the PCAOB. The Committee has also considered whether, and to what extent, if any, the fact that Deloitte may, from time to time, provide non-audit services to the Company, is compatible with maintaining the auditor's independence and has discussed this with Deloitte. Finally, the Audit Committee discussed with Deloitte, with and without management present, the scope and results of Deloitte's audit of such financial statements.

Based on these reviews and discussions, the Audit Committee recommended to our Board that such audited consolidated financial statements be included in our Form 10-K for the year ended December 31, 2018. The Audit Committee has also engaged Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2018 and is seeking ratification of such selection by the stockholders.

Audit Committee

Charles Kane, Chair

Todd Krasnow

Scott Daniels

Principal Accountant Fees and Services

The following table provides a summary of fees for professional services rendered by Deloitte for the fiscal years ended December 31, 2018 and 2017. All services and fees described below were approved by our Audit Committee.

	Fiscal Year Ended	
	December 31,	
	2018	2017
Audit Fees	\$1,593,588	\$1,016,000
Audit-Related Fees	\$448,120	\$37,000
Tax Fees	—	—
All Other Fees	—	\$—
Total Fees	\$2,041,708	\$1,053,000

Audit Fees

Audit fees consist of fees for the audits of our annual consolidated financial statements, the audit of the effectiveness of our internal control over financial reporting, reviews of each interim consolidated financial statements included in our quarterly reports, and other matters related to our SEC compliance and filings. In the fiscal year 2017, prior to their dismissal, we incurred audit fees of \$694,000 from EY that are not included in the table above.

Audit-Related Fees

Audit-related fees consist of assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under “Audit Fees.” In the fiscal year 2017, prior to their

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dismissal, we incurred audit-related fees of \$293,000 from EY that are not included in the table above related to acquisition accounting and due diligence.

All Other Fees

All other fees consist of aggregate fees billed for products and services provided by the independent registered public accounting firm other than those disclosed above. In the fiscal year 2017, prior to their dismissal, we incurred other fees of \$314,000 related to capital market advisory services from EY that are not included in the table above.

Pre-Approval Policies and Procedures

The Audit Committee pre-approves all audit and non-audit services provided by our independent registered public accounting firm. The Audit Committee approved all audit and other services provided by EY and Deloitte and the estimated costs of those services. Actual amounts billed, to the extent in excess of the estimated amounts, were periodically reviewed and approved by the Audit Committee.

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EXECUTIVE OFFICERS

The following is biographical information for our current executive officers other than Mr. Ali.

Name	Age	Position
Anthony Folger	47	Chief Financial Officer and Treasurer
Norman Guadagno	55	Senior Vice President of Marketing
Paul Mellinger	57	Senior Vice President of Global Sales
Danielle Sheer	38	General Counsel and Secretary
Robert Beeler	53	Senior Vice President of Products & Engineering

Anthony Folger

Age: 47

Skills and Qualifications

Senior Leadership Experience: More than 20 years of experience in finance and global operations and more than 10 years of senior leadership experience with high growth, global technology companies.

Anthony Folger has served as our Chief Financial Officer and Treasurer since January 2013 and oversees our customer facing and business operations including customer support, data center operations, finance, investor relations, corporate development, information technology, business analytics and human resources.

From June 2006 to December 2012, Mr. Folger held senior leadership positions at Acronis AG, a leading provider of backup, disaster recovery and secure access solutions, including Chief Financial Officer from October 2008 to December 2012. Prior to Acronis, Mr. Folger held senior finance positions at Starent Networks Corp., an information technology products company, served as an audit manager at PricewaterhouseCoopers LLP and as corporate controller of Marketmax, Inc., a provider of planning software for the retail industry, and of Habama Inc., a software company, from July 2000 to July 2001. Mr. Folger began his career in various audit-related capacities at Deloitte & Touche, LLP.

Mr. Folger holds a B.A. in Accounting and Economics from The College of the Holy Cross, and he is a Certified Public Accountant.

Norman Guadagno

Age: 55

Skills and Qualifications

Senior Leadership Experience: More than a decade of experience at technology companies and specialized marketing agencies has enabled Mr. Guadagno to bring deep strategic, marketing, and technology insight to Carbonite. He has brought a billion dollars worth of products to market and created dozens of value-creating marketing programs. In 2015, he was named by Brand Quarterly Magazine as one of the top 50 over 50 marketing thought leaders in the world.

Norman Guadagno has served as our Senior Vice President of Marketing since January 6, 2016. He has direct responsibility over global marketing, brand strategy, channel marketing and product marketing, and oversees a multifunctional team managing all operational execution areas of the unit. Prior to Carbonite, Mr. Guadagno served as

Senior Vice President of Marketing Strategy for Wire Stone, LLC, an independent digital marketing agency, from July 2015 to December 2015, Vice President of Client Engagement from February 2014 to July 2015, Managing Director from March 2012 to February 2014, and Solution Architect from February 2011 to March 2012. Prior to Wire Stone, Mr. Guadagno served as a Principal for Methodologie, Inc., a design and communications strategy firm, from October 2009 to December 2010, where he was responsible for client strategy and account growth. Prior to Methodologie,

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Mr. Guadagno held various roles at Microsoft Corporation where he led various marketing and strategy teams, and was responsible for the Application Lifecycle Management business with revenue, adoption and field satisfaction targets.

Mr. Guadagno holds an M.A. in Psychology from Rice University and a B.A. in Psychology from the University of Rochester.

Paul Mellinger

Age: 57

Skills and Qualifications

Senior Leadership Experience: More than 15 years of service in various leadership and executive integration roles at IBM, Cognos and SPSS.

Paul Mellinger has served as our Senior Vice President of Global Sales since February 2017 and previously served as our Senior Vice President of EVault from January 2016 to February 2017. He has direct responsibility for Carbonite's worldwide sales business. From January 2013 to December 2015, Mr. Mellinger served as the Vice President of Software Sales at International Business Machines Corporation ("IBM"), where he was primarily responsible for leading IBM's worldwide team of software client leaders. From June 2008 to December 2012, Mr Mellinger also served as Vice President of Sales and Integration for Cognos, a software division of IBM, from June 2006 to June 2008 as Vice President of Software Sales, Asia Pacific, and from January 2003 to June 2006 as Vice President, Software Sales, North America. He serves on the Washington University Alumni and Parents Council.

Mr. Mellinger holds a B.S. in Mechanical Engineering from Washington University in St. Louis and an M.B.A. from the Olin School of Business at Washington University.

Danielle Sheer

Age: 38

Skills and Qualifications

Senior Leadership Experience: More than 12 years of experience in technology-related corporate matters, global mergers and acquisitions, public company reporting, and data security and privacy compliance. She is the founding member of Carbonite's legal team, leading the Company through its initial public offering, several technology acquisitions, and successfully defending against a hostile tender offer and activist shareholder proxy contests.

Danielle Sheer has served as our General Counsel since September 2009 and as our Corporate Secretary since 2011. She has direct responsibility for Carbonite's global legal and corporate governance affairs, technology partnerships, intellectual property portfolio, and data security and privacy compliance. From August 2006 to September 2009, Ms. Sheer was a corporate attorney in New York with the law firm of Willkie Farr & Gallagher LLP, where she concentrated on business and securities transactions. Ms. Sheer serves on the board of directors of The Boston Club and the Board of Overseers of Beth Israel Deaconess Medical Center, on the advisory board of LinkSquares, Inc., and the Boston Steering Committee for TechGC. She has been named to the Boston Business Journal's "Forty under 40" list of emerging business leaders, honored by the Massachusetts Bar Association and Massachusetts Lawyers Weekly as an "In-house Leader in the Law," as "Maverick of the Year" for Women in Business, and named an "Emerging Leader for Advancing Women Leaders" by the Boston Business Journal.

Ms. Sheer holds a J.D. from Georgetown University Law Center and a B.A. in Philosophy from George Washington University.

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Robert Beeler

Age: 53

Skills and Qualifications

Senior Leadership Experience: More than 25 years of experience building products that deliver business value.

Robert Beeler has served as our Senior Vice President of Products and Engineering since October 31, 2018. He has direct responsibility over product strategy, engineering and product management for the entire Carbonite family of home and business solutions. Mr. Beeler previously served as the Company's Vice President of Engineering since the Company's acquisition of Double-Take Software, Inc. ("Double-Take") on January 31, 2017. Prior to the acquisition, Mr. Beeler served in various roles at Double-Take and Double-Take's then current parent company, including as Double-Take's Co-Founder and Chief Technology Officer from September 2016 through January 2017, as Vice President of R&D at Vision Solutions from July 2010 through September 2016, and as Vice President of Engineering at Double-Take from July 1995 through July 2010.

Mr. Beeler holds B.S. in Mechanical Engineering and an M.S. in Electrical Engineering from the University of Kentucky.

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COMPENSATION DISCUSSION AND ANALYSIS

This section discusses the principles underlying our policies and decisions with respect to the compensation of our named executive officers who are included in the “2018 Summary Compensation Table.” These 2018 named executive officers are as follows:

Name	Title
Mohamad Ali	President and Chief Executive Officer (our “CEO”)
Anthony Folger	Chief Financial Officer and Treasurer (our “CFO”)
Danielle Sheer	General Counsel and Secretary
Norman Guadagno	Senior Vice President of Marketing
Paul Mellinger	Senior Vice President of Global Sales
Deepak Mohan (1)	Former Senior Vice President, Product and Engineering

(1) Mr. Mohan resigned from the Company effective October 31, 2018.

2018 Executive Summary

We believe we must attract, retain and motivate leaders who can position the Company to deliver financial and operational results for the benefit of our stockholders. Our executive compensation program, which is administered by the Compensation Committee, is designed to achieve this objective. The philosophy of how we will compensate our executive officers in the future may not be the same as how they have been compensated previously. The Compensation Committee will continue to review, evaluate, and modify our executive compensation program to support the Company’s business strategies and align our compensation program with commonly viewed executive compensation best practices, market trends and the success of our business.

Recent Compensation Actions

As part of its annual compensation process, the Compensation Committee of the Board approved the following compensation decisions with respect to the named executive officers:

2018 Cash Bonus Plan. Under the 2018 cash bonus plan, bonuses were determined based on the Company’s performance with respect to new bookings, renewal bookings and free cash flow targets, weighted 50%, 25% and 25%, respectively. Based on the Company’s goal attainment of 76%, 100%, and 120%, of the respective targets, the Compensation Committee certified a bonus payout of 75% of target for the participating named executive officers, as further described in the Compensation Discussion & Analysis section titled “Elements of our Executive Compensation Program”.

2018 Equity Incentives. The 2018 annual equity program consisted of RSUs and PRSUs as part of the annual equity grants in order to further align senior management compensation with stockholder value. Under the terms of the 2018 RSU award agreements, the RSUs vest in equal annual installments over four years from the date of grant. Under the terms of the 2018 PRSU award agreements, the PRSUs are earned if, within three years from the date of grant, the Company achieves (i) a minimum stock price of \$31.12 per share for 20 consecutive trading days with respect to 50% of the PRSUS, representing a 23.2% premium as compared to our December 31, 2017 closing stock price of \$25.26 per share, and (ii) a minimum stock price of \$35.01 per share for 20 consecutive trading days with respect to the remaining 50% of the PRSUs, representing a 38.6% premium as compared to our December 31, 2017 closing stock price of \$25.26 per share. Once the performance conditions are satisfied, the PRSUs are subject to service vesting, with vesting of such PRSUs to occur quarterly over the one-year period from the date of performance achievement, subject to the recipient's continued service to the Company through the applicable vesting date. On May 29, 2018 and

June 14, 2018, respectively, the PRSUs achieved the respective trading price performance conditions and as such the PRSUs began to vest subject to the service-based vesting condition.

Stockholder Engagement

We believe in the importance of engaging with and listening to our stockholders. In recent years we have proactively reached out to many of our largest stockholders to solicit their feedback on our executive compensation, corporate governance, or our disclosure practices. We expect to continue to engage in an open dialogue with our stockholders through a combination of email exchanges, conference calls and in-person meetings. We received valuable feedback from stockholders, as well as appreciation of our ongoing outreach efforts and acknowledgment of our increased engagement from stockholders, and we believe we have addressed many of the topics raised by our stockholders.

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Changes We've Made in Response to Stockholder Feedback

- ü Performance-Based Equity Program for 2018
- ü Stock Ownership Guidelines for Board and Senior Executives
- ü Independent Chairman of the Board
- ü Commitment to Ongoing Stockholder Outreach & Engagement

Key Features of our Executive Compensation Program for Named Executive Officers

The Compensation Committee reviews on an ongoing basis the Company's executive compensation and benefits programs to evaluate whether these programs support the Company's compensation philosophy and objectives, as described below, and serve the interests of our stockholders. The Company's practices include the following, each of which the committee believes reinforces our executive compensation philosophy and objectives:

What We Do:

Performance-Based Equity - One-half of long-term incentives for all senior management was in the form of ü performance based restricted stock units (RSUs) tied directly to stock price appreciation and, once achieved, subject to further time vesting, in order to further align senior management compensation with stockholder returns.

Linkage Between Performance Measures and Strategic and Operational Objectives - Our executive compensation ü program is designed to align compensation incentives with our strategic, business, and financial objectives and the long-term interests of our stockholders.

Pay for Performance - A significant percentage of our targeted annual compensation is delivered in the form of ü variable compensation that is connected to actual performance. For 2018, variable compensation comprised approximately 45% of the targeted annual compensation for our named executive officers.

ü Market Comparison of Executive Compensation Against a Relevant Peer Group

"Double Trigger" in the Event of a Change in Control - In the event of a change in control, cash severance benefits and ü unvested equity awards are payable or vest upon a "double trigger" for our senior executive officers; i.e., severance is payable only if a change of control occurs and the senior executive officer is terminated without cause or leaves for good reason within a specified period after the change of control.

ü Independent Compensation Consultant - The Compensation Committee retains its own compensation consultant to review and advise on the Company's executive compensation program and practices.

ü Maximum Payout Caps for Annual Cash Incentive Compensation

Share Ownership Guidelines - It is recommended that our Chief Executive Officer hold a number of shares of our ü common stock with a value in excess of 3x his or her annual base salary, and our other senior executive officers hold a number of shares of our common stock with a value in excess of 1x their annual base salaries, each within three years of the adoption of the guidelines or, if later, promotion or hire.

Emphasis on Future Pay Opportunity vs. Current Pay Opportunity - For 2018, all our long-term incentive awards ü were delivered 100% in the form of equity, designed to encourage retention and stock price appreciation through restricted stock units (RSUs) and RSUs.

What We Don't Do:

ý No Change in Control or Perquisite Tax Gross-Ups

ý No Excessive Severance Benefits

ý No Service-Based Defined Benefit Pension Plan or Other Similar Benefits

ý No Repricing of Underwater Stock Options

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How We Set Executive Compensation

Executive Compensation Philosophy

We believe the achievement of our business and financial objectives will be reflected in the value of our equity. We also believe that equity compensation is a significant motivator in attracting qualified employees to technology companies such as ours. In order to align the incentives our executive officers receive with the creation of stockholder value, our compensation philosophy ties a significant percentage of an executive officer's compensation to stockholder returns. To this end, in 2018, we used RSUs and PRSUs as major components of our named executive officer annual compensation program.

Executive Compensation Objectives and Determination Process

We recognize that our ability to excel depends on the integrity, knowledge, imagination, skill, diversity, and teamwork of our employees. The principles and objectives of our compensation and benefits program for our employees generally, and for our named executive officers specifically, are to:

- attract, engage and retain individuals of superior ability, experience, and managerial talent, enabling us to be an employer of choice in the highly-competitive and dynamic technology industry;

- align compensation incentives with our strategic, business, and financial objectives and the long-term interests of our stockholders;

- motivate and reward executives whose knowledge, skills, and performance are deemed instrumental to our continued success; and

- provide total compensation that is fair, reasonable, and competitive.

Many of our compensation components simultaneously fulfill one or more of these principles and objectives. As discussed in further detail below, the material components of our 2018 executive compensation program consisted of base salary, annual cash incentive awards and equity compensation. In addition, our named executive officers are eligible to participate in our corporate-wide benefit programs and are eligible to receive post-termination benefits upon a qualifying termination of employment. We view each component of executive compensation as related but distinct, and we review total compensation of our executive officers annually to determine whether our overall compensation objectives are achieved. While we have identified particular compensation objectives that each component of executive compensation serves, our compensation programs are designed to be flexible and complementary, and to collectively serve the executive compensation objectives described above.

We determine the appropriate level for each compensation component in part based on the compensation offered to similarly situated executives at a peer group of companies and as supported by relevant market surveys, as well as on the market experience of members of the Compensation Committee and the insight of the Compensation Committee's independent compensation consultant. In addition, we consider internal equity and consistency, the length of service of our executive officers, our overall performance, the executive officer's individual performance, retention, and for executives other than the Chief Executive Officer, recommendations by the Chief Executive Officer, and other considerations that the Compensation Committee deems relevant. Members of our human resources, finance, and legal departments attend Compensation Committee meetings from time-to-time at the request of the Compensation Committee and provide background on materials presented to the Compensation Committee.

Independent Compensation Consultant

In order to assist our Compensation Committee in making executive compensation decisions, the Compensation Committee has engaged Radford. In 2017, the Compensation Committee directed Radford to conduct a competitive market analysis and compensation study for our executive positions to consider changes to be implemented in the executive compensation program. For 2018 compensation, the Committee reviewed the study completed by Radford in 2017. Radford also provides assistance to the Compensation Committee on determining strategic financial and operational performance goals and advice on rules, regulations, and general compensation trends regarding executive compensation.

Radford is directly accountable to the Compensation Committee for the performance of its services. In its role as advisor to the Compensation Committee, a senior representative of Radford attends meetings of the Compensation Committee, as requested by the Chairperson of the Compensation Committee, and otherwise consults with members of the Compensation Committee as necessary. The Compensation Committee reviewed the independence of Radford under Nasdaq and SEC rules and concluded that its work as compensation consultant has not raised any conflict of interest issues.

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Competitive Peer Group

We operate in a competitive talent environment, particularly in the geographic areas in which we maintain a presence. As such, our Compensation Committee believes that it is important to review the executive compensation practices of companies that are similar in business and size to us to evaluate whether our executive compensation program is competitive and to assist us in meeting our overall executive compensation objectives. While the Compensation Committee factors peer compensation levels and practices into setting compensation levels, this peer information is one of many factors that the Compensation Committee considers in determining compensation levels, in addition to the other factors described above in "Executive Compensation Objectives and Determination Process". For base salary and target bonus, the Compensation Committee uses a guideline competitive positioning at the 50th percentile of the peer market data and for equity compensation uses a guideline competitive positioning at the 65th percentile of the peer market data. However, compensation may vary from the competitive positioning guidelines based on experience, scope of the position, individual performance and the overall performance of the Company.

In evaluating 2018 compensation adjustments, the Compensation Committee considered various factors, including the 2017 compensation study prepared by Radford. In 2017, the Compensation Committee directed Radford to review the Company's competitive peer group established in late 2016 to assess whether it remained appropriate for the Compensation Committee's competitive market review. Based on that review, Radford recommended that the following companies be deleted from the Company's historical peer group because they no longer met the requirements with regard to revenue, market capitalization or number of employees: Constant Contact, Covisint, Demandware, eGain, SciQuest, Upland Software and Zix. In addition, based on similar considerations and the structure of the Company's business, Radford recommended the addition of: Barracuda Networks, Bottomline Technologies, inContact, Interactive Intelligence Group, Jive Software, Varonis Systems and VASCO Data Security. The following revised peer group was used for purposes of evaluating 2018 executive compensation decisions:

Barracuda Networks	Bazaarvoice, Inc.	Bottomline Technologies
Brightcove, Inc.	Callidus Software, Inc.	Cornerstone OnDemand, Inc.
Five9, Inc.	Guidance Software, Inc.	inContact
Interactive Intelligence Group	Intralinks Holdings, Inc.	Jive Software
Limelight Networks, Inc.	LivePerson, Inc.	LogMeIn, Inc.
Marchex, Inc.	PROS Holdings, Inc.	SPS Commerce, Inc.
Stamps.com Inc.	Tangoe, Inc.	TechTarget, Inc.
Varonis Systems		